



## Board Report

File #: 2018-0706, File Type: Program

Agenda Number: 13.

**REVISED**  
**FINANCE, BUDGET AND AUDIT COMMITTEE**  
**JANUARY 16, 2019**

**SUBJECT: LOW INCOME FARE SUBSIDY PROGRAM (LIFE)**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the extension and execution of Memorandums of Understanding (MOU) by the Chief Executive Officer for Low Income Fare is Easy (LIFE) and Immediate Needs Transportation Programs (INTP) including transportation and administration for a period of six months beginning July 1, 2019 through December 31, 2019;
- B. AMENDING the Fiscal Year (FY) 2019 Budget by \$400,000 to increase the LIFE program from \$14.1M to \$14.5M due to Federal Transit Administration Section 5316 Job Access and Reverse Commute (Section 5316) funding received for the LIFE program;
- C. AUTHORIZING the extension and execution of the Memorandums of Understanding (MOU) by the Chief Executive Officer for the Municipal, Included and other TAP Operators that are or will be participating in the LIFE program;
- D. AUTHORIZING the extension and execution of Memorandum of Understanding (MOU) by the Chief Executive Officer for Support for Homeless on Re-Entry Program (SHORE), including transportation and administration for a period of two years beginning FY20, subject to availability of funds approved through the budget process;
- E. RECEIVING AND FILING LIFE Implementation Update; and
- F. RECEIVING AND FILING LIFE Marketing Update.

**ISSUE**

At its May 2014 meeting, the Metro Board approved the reauthorization of the programs through the end of FY19 (See Attachment A). LIFE serves low income transit riders, victims of domestic violence, individuals experiencing homelessness, elderly and individuals with immediate transportation needs.

See Attachment B for a description of subsidy programs.

On July 27, 2017, the Metro Board approved the funding award recommendations for Section 5316 funds. At the conclusion of that award process, there was a remaining balance in Section 5316 funds of approximately \$1.7 million (\$1,735,145). Metro Staff has taken appropriate steps and awarded the funds to Metro's LIFE Program. Among the original Section 5316 award recommendations was an award to the City of Compton for \$192,174. The award to Metro's LIFE Program includes the \$192,174 Section 5316 funds originally awarded to the City of Compton, therefore, Metro will replace those funds with local funds so that the City of Compton will still receive the total award recommendation. FY19 projected cost for the marketing, outreach, and additional support of the LIFE Program will be \$400,000.

Currently, there are eleven Municipal operators that participate in the LIFE program, their contracts expiring June 30, 2019. The new MOUs will be developed based on the Reimbursement Policy approved by the Bus Operations Subcommittee on September 18, 2018 (See Attachment C). This will allow for the timely execution of the MOUs prior to the implementation of the LIFE Phase II.

SHORE provides subsidy to homeless service providers in Downtown Los Angeles, South Los Angeles, East Los Angeles and Hollywood. The program was reauthorized in 2014 for the period of 5 years starting FY15. MOU will expire on June 30, 2019. See Attachment B for a description of the SHORE program.

## **DISCUSSION**

### LIFE Administrator MOU Extension

Current administrator MOUs will expire on June 30, 2019. Staff has initiated the procurement process that should culminate in June 2019, and will seek Board approval in July 2019. Extension of the current MOUs will facilitate the provision of uninterrupted service to participants; maintain a steady and consistent flow of communication of program changes to the participants; complete the development of system infrastructure to support the new operations and administrative process; and provision of the administration and management services to more than 500 partner agencies. Once the major revisions of the program are implemented, staff will concentrate on assisting and training the administrators in the use of the database, the new guidelines and execution of contracts with partner agencies and service providers. Immediate Needs Transportation Program (INTP) has started its integration to LIFE beginning September 2018 and is expected to be fully integrated into the LIFE program effective Summer, 2019.

The program administrators will be renewed for the six month period (July 1, 2019 to December 31, 2019) at the following rates: LIFE program (RRTP) administration: FAME Assistance Corporation \$150,000, Human Services Association \$100,000. Immediate Needs Transportation Program Administration (INTP): International Institute of Los Angeles \$162,500, and FAME Assistance Corporation \$162,500.

### LIFE Budget Amendment

The LIFE Program was awarded Section 5316 funds to support the LIFE Program's outreach and marketing efforts. The total grant award is \$1,735,145 and includes a 50% local match for a total project cost of \$3,470,290 to be used within three years of the award. As a condition of receiving the full \$1,735,145 in Section 5316 funds, Metro will provide \$192,174 in local funds to the City of Compton. Staff anticipates allocation of \$400,000 in FY19 to be utilized for the marketing and outreach and subsidized transportation to qualifying patrons. The funds will be matched with our subsidy funding and expended for communicating the changes as well as the major campaign to attract new recruits. The future years Section 5316 budget will be allocated through the budget process. The marketing and outreach plan details are included in Attachment D of this Board report.

#### City of Compton

The City originally applied for the Section 5316 funds and was awarded \$192,174 in operating funds. However, the Section 5316 funds were old grant funds repurposed through a budget revision. Because the City wasn't named in the original Section 5316 grant and couldn't be added through an amendment, they could not receive the funds. Metro will retain the originally awarded Section 5316 funds and replace those funds with local funds so that the City of Compton will still receive the total award recommendation.

#### Municipal Operator LIFE Contracts

In February 2007, Metro Board authorized the inclusion of Municipal and Included operators in the LIFE (previously referred to as RRTP) program. Staff negotiated and executed Memorandums of Understanding (MOUs) with the operators interested in joining the program. Since then Antelope Valley Transit Authority, Culver CityBus, Foothill Transit, GTrans, LADOT Transit, Long Beach Transit, Montebello Bus Lines, Norwalk Transit systems, Santa Clarita Transit, Santa Monica Big Blue Bus and Torrance Transit have joined the program. Once LIFE is transitioned to TAP, all TAP enabled operators will be able to participate in the program should they choose. Glendale Beeline, Burbank and Pasadena have expressed interest in joining the program. Staff will develop the Memorandums of Understanding, in cooperation with the operators. The new contracts are anticipated to be in place by July 1, 2019 so the participants can choose to ride any of the participating operators. This will allow for the timely execution of the contract for each operator prior to the implementation of additional LIFE benefits, namely the introduction of the "20-Ride" benefit.

#### SHORE Program Extension

The SHORE program is administered by Shelter Partnership with an annual budget of \$520,000, of which \$500,000 is set aside for transportation subsidies and \$20,000 for administration of the program. SHORE supports the homeless service providers located in Downtown Los Angeles, South Los Angeles, East Los Angeles and Hollywood. During FY19, SHORE transitioned from tokens to TAP cards. Please see Attachment B for a description of SHORE program. Staff is aware of the geographical limitations of this program and will continue evaluating the program in relation to LIFE to address the unique transportation issues of the individuals experiencing homelessness and victims of domestic violence countywide. LIFE and SHORE programs are subject to annual audit.

#### LIFE Program Implementation

Implementation of LIFE program has been moving forward in two phases;

##### Phase I

The first phase of the program was implemented in January 1, 2018. The subsidy was increased for participants with the immediate expansion of the program using the current coupon/token based distribution methods providing qualifying riders access to discounted 7-day or 30-day passes (RRTP) or the distribution of tokens by Metro affiliated network of social service agencies (INTP).

Table 1 below reflects the LIFE program benefits effective July 2019.

<b>LIFE</b> <i>Effective July 1, 2019</i>				
<b>Individual Benefits (Choice of one each month)</b>				
Pass Type	Pass Amount	Current Subsidy per Month	Current Subsidized Pass Price	% Off Pass Price
Regular Fare 30 Day	\$100	\$24	\$76	24%
or	\$25	\$6	\$19	24%
Regular Fare 7 Day (four weeks per month)		(four times per month)		
College/Vocational Pass 30 Day	\$43	\$13	\$30	30%
Student 30 Day Pass	\$24	\$10	\$14	42%
Senior/Disabled 30 Day Pass	\$20	\$8	\$12	40%
20 Regional Rides (per month)	Option available as an alternative to pass purchase. Applicable to all rider categories			
<b>Agency Benefits</b>				
<ul style="list-style-type: none"> <li>Taxi Vouchers, not counted against individual benefits above. Some short term transit benefits are being developed for homeless individuals</li> </ul>				
<b>Total Annual Budget</b>	\$14.1 million in 2019			

Phase II

Phase II will consist of completion of the INTP transition to LIFE and complete technical integration into TAP wallet, eliminating the need for coupon and token usage. This will provide more convenient and affordable access and increase the ability of qualifying riders to secure and utilize transit services in Los Angeles County. The transition of INTP into the LIFE program is expected to be completed during Summer 2019.

The integration will result in the following features:

- **A Simplified Participant Eligibility Process** - eligibility for subsidies will be indicated on eligible participant's TAP card each year eliminating the need to appear at the distributing agency every 6 months. The purchases can be done at a vendor site or thru TAPtogo.net.
- **New TAP Ride-based Options** - Tying participants' benefits to a TAP card allows for a new ride product to replace the tokens currently issued under INTP. Under the revised program, effective July 1, a customer can choose either a discounted pass product or the 20 regional TAP rides each month. Currently, the TAP ride option is not available. In addition, in cooperation with homeless providers, a product is being developed to specifically address the transportation needs of homeless individuals. Staff is exploring the option of providing a preloaded product on disposable/temp cards that can be issued directly by homeless service providers to eligible clients. In case of loss or theft of the card, the client would be able to return to the agency to receive their remaining subsidy.

When fully implemented, the combined increase in transit subsidy for qualified riders and technological improvements in the program will significantly enhance the ability of economically vulnerable individuals, including Senior and Disabled, Student, and regular riders, to access both Metro and other Municipal, Included or Local transportation service providers.

#### Marketing & Outreach

In an effort to ensure maximum outreach and the introduction of the new program to potential riders, an extensive marketing campaign is being developed for launch in June 2019. In addition, a major campaign to inform our current patrons is currently underway. Section 5316 funding will be utilized to fund both campaign expenditures. See Attachment D for the detailed Marketing Plan for new participants and for the notification and communication of "Changes are coming" Marketing Plan. The campaign uses a four part strategy:

- **Distribution of information throughout Metro network** - Different approaches have been devised for the current participants and the new recruitment. The campaign will utilize Metro channels to reach all eligible riders. These channels, some of which will also be provided to participating operators, brochures (translated into 9 languages), posters, car and rail cards, on hold messages, Source post, etc.
- **Distribution of information through Digital media consultant** - a media agency will be contracted to place advertisements in various websites, applications, digital radio and a wide range of bill boards to reach target audiences. In addition, a consultant is developing program

videos for new and current participants.

- **Outreach through program administrators and participating agency partners** - LIFE administrators, along with 500+ participating non-profit, faith-based or governmental agencies conduct outreach to their client base and general public. Staff will also be contacting small employers, libraries, civic and senior centers, and organizations or agencies that are currently not participating in the program.
- **Outreach conducted by Metro program staff** In addition to staff's attendance at community based outreach events, LIFE program information will be provided to Municipal Operator partners, Bus Operations Subcommittee and Local Transit Systems Subcommittee, Service Councils and various Metro committees. The program changes will be communicated to internal Metro departments that have regular contact with the public to assist with outreach.

With the introduction of updated technology through the TAP system, the effectiveness of the campaign will be continuously analyzed, and the outreach plan will be revised to target underserved areas.

#### Notification of Changes to Current Patrons

In addition to the major marketing campaign countywide, a campaign informing our current patrons is currently underway.

- The current participants have received information on the "Changes are Coming" at the start of the December 2018 distribution and will continue the campaign through future enrollments.
- The information will be emailed and or mailed to patrons multiple times.
- Metro, administrator and participating agency staff will continue communicating the changes in person during distributions. This effort began in November 2018 and will continue until all clients have been notified.
- An animated video was developed to display the changes to the patrons. The video will be played at the participating agency sites during each distribution.
- Metro's webpage also has been updated to inform the visitors of the changes and the video will be available as well.
- The information will be communicated to the patrons at community based outreach events such as Homeless Connect Days, Colleges, On the Move Riders events etc.

## **DETERMINATION OF SAFETY IMPACT**

There is no impact on the safety of Metro patrons or employees as a result of the Board's consideration of this item.

## **FINANCIAL IMPACT**

Funding of \$14.1 million is included in the FY19 Budget in cost center 0443, project number 410016, for the programs. Approval of the inclusion Section 5316 funding will increase the funding level to \$14.5 million in FY19.

### **Impact to Budget**

The FY19 Adopted budget included \$10 million funded with Prop C 40% and an additional \$4.1 million from Measure M 2% (ADA Paratransit and Metro Discounts for Seniors and Students). Should the Board approve staff recommendation, \$400,000 of Section 5316 funding will be added to the budget. Future appropriations will be included in subsequent year's budgets.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This recommendation supports the following goal of the Metro Strategic Plan.

Goal 3: Enhance communities and lives through the provision of mobility and access to opportunity

## **ALTERNATIVES CONSIDERED**

The Board could choose to not approve the contract extensions with current providers. Staff does not recommend this option as the change of the administrators in the midst of the transition would have a negative effect on the smooth service delivery and patron notifications. If the additional funding is not approved then staff will not be able to take advantage of the Section 5316 funding to expand program outreach. The Board may also choose not to authorize the contract negotiation with the transit operators. This is not recommended as it would adversely affect program participants by limiting their access to expanded travel and transportation options. The Board may also choose to not to extend the contract to the SHORE program, however this option is not recommended since this will negatively affect the homeless individuals participating in the program.

## **NEXT STEPS**

The implementation of Phase I on January 1, 2018 marked the beginning of additional activities in order to capture the technological advances in future TAP technology. Future planned activities include:

- Issue RFP for new third party administrators
- Ensure smooth transition of the administrators

- Implement the marketing plan
- Prepare and execute five-year agreements with current or new Municipal, Included or TAP Operator partners
- Continue integration of INTP into LIFE
- Continue development of the system infrastructure to support new administrative processes in coordination with TAP Operation
- Review and revise current policies and operating guidelines
- Continue to conduct outreach on the new program, including a comprehensive outreach campaign to raise awareness of available discounts
- Continue to work with participating non-profit agencies to address implementation issues
- Review the SHORE program in relation to LIFE and explore opportunities to either integrate, incorporate or expand either programs

### **ATTACHMENTS**

Attachment A - May 2014 Board Report

Attachment B - Description of LIFE, INTP and SHORE

Attachment C - Operator Reimbursement Policy

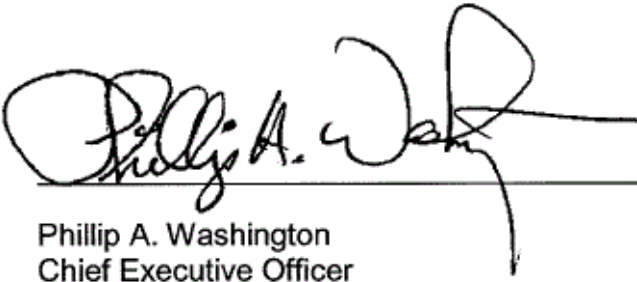
Attachment D - Marketing and Outreach Plan

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